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DE RUEHKT #0624 0651238  
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O 061238Z MAR 06  
FM AMEMBASSY KATHMANDU  
TO RUEHC/SECSTATE WASHDC IMMEDIATE 0590  
INFO RUEHLO/AMEMBASSY LONDON IMMEDIATE 3659  
RUEHNE/AMEMBASSY NEW DELHI IMMEDIATE 9298  
RUEHLM/AMEMBASSY COLOMBO IMMEDIATE 4261  
RUEHKA/AMEMBASSY DHAKA IMMEDIATE 9337  
RUEHBJ/AMEMBASSY BEIJING IMMEDIATE 4002  
RUEHIL/AMEMBASSY ISLAMABAD IMMEDIATE 2247  
RUEAIIA/CIA WASHDC IMMEDIATE  
RHEHNSC/NSC WASHDC IMMEDIATE  
RHEFDIA/DIA WASHDC IMMEDIATE  
RUEKJCS/SECDEF WASHDC IMMEDIATE  
RHHMUNA/CDR USPACOM HONOLULU HI IMMEDIATE

C O N F I D E N T I A L KATHMANDU 000624

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DEPT FOR SCA/INS

E.O. 12958: DECL: 03/06/2016

TAGS: [PREL](#) [MASS](#) [PTER](#) [NP](#)

SUBJECT: CHINA CONFIRMS NO LARGE-SCALE MILITARY SALES

REF: KATHMANDU 404

Classified By: Ambassador James F. Moriarty, Reasons, 1.4 (b/d).

No Major Shipment of Lethal Security Material Coming From  
China

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¶1. (C) In a March 6 discussion, Chinese Ambassador Sun again stressed that China had decided not to proceed with large-scale lethal security assistance/sales to Nepal because India was "so sensitive" about it. Sun added that the utility of providing the lethal equipment was unclear, in light of the isolation of the Government of Nepal (GON).

#### State Counselor Tang's Upcoming Visit

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¶2. (C) Sun informed the Ambassador that State Counselor Tang Jiaxuan would visit Nepal March 16-18. Sun commented that Tang would go to Lumbini (Buddha's birthplace), and explained that the Chinese Embassy was also seeking meetings with political party leaders. Sun added that China hoped that CPN-UML leader Madhav Kumar Nepal would be released from house arrest; the Ambassador noted that we had been pushing Home Minister Thapa to release MK Nepal and other political party detainees. (Note: In a separate March 6 meeting, Foreign Minister Ramesh Nath Pandey worried to the Ambassador that China had upgraded the level of its delegation and would be coming with "a certain message." End Note.) Sun welcomed the Ambassador's upcoming consultations in Beijing, and suggested that the timing was very good, as State Counselor Tang's delegation would have just recently returned from Nepal.

¶3. (U) According to the local press, Nepal and China will sign two agreements during the Tang visit: one reportedly to eliminate duties on Nepali exports to China; and the other on 20 million yuan of new financial assistance, as part of an annual 80 million yuan aid package. The press also reported that on March 3 Nepal and China concluded the Third Session of the Nepal-China Third Joint Inspection of Nepal-China Boundary in Beijing. A Ministry of Foreign Affairs statement highlighted the finalization of cost-sharing arrangements for the joint boundary inspection.

Comment

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14. (C) China appears to continue to share U.S. and Indian concerns regarding Nepal's ongoing Maoist insurgency and political crisis. The additional Chinese pressure on the GON to reach out to the political parties is welcome.  
MORIARTY